

## **DETAILED ACTION**

### **Acknowledgements**

1. This Office Action is in reply to Applicants' response filed 09 September 2010 ("2010 Sept Response"). The 2010 Sept Response contained, inter alia, "**AMENDMENTS TO THE CLAIMS**" ("2010 Sept Claim Amendments"); and "**Remarks**" ("2010 Sept Remarks").
2. The Examiner acknowledges that this application has a "DECISION ON APPEAL," which has been issued by the Board of Patent Appeals and Interferences ("Board"), mailed on 30 July 2009 ("2009 Decision").
3. Applicants filed a petition to revive on 09 September 2010. The USPTO granted the petition. See petition decision mailed 17 November 2010.
4. Because of the 2010 Sept Claim Amendments, prosecution of this application has been reopened by Applicants.
5. Claims 1-142 are currently pending.
6. Claims 1-142 are currently have been examined.
7. The Examiner of record has changed. Please indicate Jacob C. Coppola on any future correspondence. Contact information for Examiner Coppola may be found at the end of this Office Action.
8. This Office Action is assigned Paper No. 20110406. This Paper No. is for reference purposes only.

### Claim Interpretation

9. The Examiner adopts the Board's "FINDINGS OF FACT" ("BFF [x]") as shown on pp. 5-9 of the 2009 Decision.

10. The Examiner adopts the Board's "rationale" (beginning with the paragraph "[w]e find that Appellants' Specification does not specifically define the term communicate..." and ending with the paragraph "[b]ecause our rationale differs from that of the Examiner..." as shown on pp. 11-12 of the 2009 Decision.

11. After careful review of the original specification, the Examiner is unable to locate any lexicographic definitions with the required clarity, deliberateness, and precision. See MPEP §2111.01 IV.

12. The Examiner hereby adopts the following definitions under the broadest reasonable interpretation standard. In accordance with In re Morris, 127 F.3d 1048, 1056, 44 USPQ2d 1023, 1029 (Fed. Cir. 1997), the Examiner points to these other sources to support his interpretation of the claims.<sup>1</sup> Additionally, these definitions are only a guide to claim terminology since claim terms must be interpreted in context of the surrounding claim language. Finally, the following list is not intended to be exhaustive in any way:

- a. computer readable medium : a transitory propagated signal medium, e.g., a carrier wave. See Aggarwal et al. (U.S. 7,711,586 B2) describing "computer and/or machine readable media [as] ... other forms of propagated signals (e.g., carrier waves, infrared signals, digital signals, etc.); etc." C3 L39-L46; Crawford (U.S. 7,587,502 B2) describing

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<sup>1</sup> While most definitions are cited because these terms are found in the claims, the Examiner may have provided additional definition(s) to help interpret words, phrases, or concepts found in the definitions themselves or in the prior art.

a “computer readable medium” as wireless communications media in “a carrier wave.”

C4 L13-L25; and Dunphy et al. (U.S. 6,484,182 B1) describing how a “computer program product is carried by a medium readable by a computer (e.g. a carrier wave signal). . . .” C2 L58-L60;

b. configuration “(1) (C) The physical and logical elements of an information processing system, the manner in which they are organized and connected, or both. Note: May refer to hardware configuration or software configuration.” IEEE 100 The Authoritative Dictionary of IEEE Standards Terms, 7<sup>th</sup> Edition, IEEE, Inc., New York, NY, Dec. 2000; and

c. instruction “n. An action statement in any computer language, most often in machine or assembly language. Most programs consist of two types of statements: declarations and instructions. See also declaration, statement.” Computer Dictionary, 3<sup>rd</sup> Edition, Microsoft Press, Redmond, WA, 1997.<sup>2</sup>

### ***Additional Examiner Findings of Fact (“EFF [x]”)***

EFF 1: Applicants do not argue a single dependent claim separate from the independent claims. See 2010 Sept Response at pp. 32-35.

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<sup>2</sup> Based upon Applicants’ disclosure, the art of record, and the knowledge of one of ordinary skill in this art as determined by the factors discussed in MPEP §2141.03 (where practical), the Examiner finds that the Microsoft Press Computer Dictionary is an appropriate technical dictionary known to be used by one of ordinary skill in this art. See e.g. *Altiris Inc. v. Symantec Corp.*, 318 F.3d 1363, 1373, 65 USPQ2d 1865, 1872 (Fed. Cir. 2003) where the Federal Circuit used the Microsoft Press Computer Dictionary (3d ed.) as “a technical dictionary” to define the term “flag.” See also *In re Barr*, 444 F.2d 588, 170 USPQ 330 (CCPA 1971)(noting that its appropriate to use technical dictionaries in order to ascertain the meaning of a term of art) and MPEP §2173.05(a) titled “New Terminology.”

EFF 2: In accordance with In re Lee, 277 F.3d 1338, 1344-45, 61 USPQ2d 1430, 1434-35 (Fed. Cir. 2002), the Examiner finds that the references How Computers Work, Millenium Ed. by Ron White; How Networks Work, Millenium Ed. by Frank J. Derfler et al.; and How the Internet Works, Millenium Ed. by Preston Gralla are additional evidence of what is basic knowledge or common sense to one of ordinary skill in this art. Each reference is cited in its entirety. Moreover, because these three references are directed towards beginners (see e.g. “User Level Beginning . . .”), because of the references’ basic content (which is self-evident upon review of the references), and after further review of the entire application and all the art now of record in conjunction with the factors as discussed in MPEP §2141.03 (where practical), the Examiner finds that these three references are primarily directed towards those of low skill in this art. Because these three references are directed towards those of low skill in this art, the Examiner finds that one of ordinary skill in this art must—at the very least—be aware of and understand the knowledge and information contained within these three references.

### **Claim Rejections - 35 USC § 101**

13. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

14. Claims 72-142 are rejected under 35 U.S.C. §101 because the claimed invention is directed to non-statutory subject matter.

Regarding Claims 72-142

15. Under the broadest reasonable interpretation, claims 72-142 are directed to signals per se.

16. Regarding claims 72-142, one of ordinary skill in this art may interpret such claims as signals. To support the Examiner's position that these particular medium claims may be signals, the Examiner first notes that "computer readable medium" is not lexicographically defined in the original specification. Second, under the broadest reasonable interpretation of "computer readable medium" as set forth above and in accordance with USPTO memorandum<sup>3</sup> by Director Kappos, D. J. Subject Matter Eligibility of Computer Readable Media<sup>4</sup> ("2010 Kappos Memorandum") noting that "[w]hen the broadest reasonable interpretation of a claim covers a signal per se, the claim must be rejected under 35 U.S.C. § 101 as covering non-statutory subject matter."), a "machine readable medium" may be interpreted as a signal.

17. Moreover, because signal claims are not in any statutory category, Applicants' medium claims (i.e., claims 72-142) are considered non-statutory subject matter. In re Nuijten, 500 F3d 1346, 84 USPQ2d 1485 (Fed. Cir. 2007).

18. To overcome this particular 101 rejection and assuming such an amendment has support in accordance with 35 U.S.C. § 112 1st paragraph, the Examiner suggests (by way of example only) including a "non-transitory" computer readable medium.

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<sup>3</sup> See MPEP §707.06 "Citation of Decisions, Orders Memorandums, and Notices" expressly authorizing examiners to cite to Commissioner's Memorandums which have not yet been incorporated into the MPEP.

<sup>4</sup> Available at [http://www.uspto.gov/patents/law/notices/101\\_crm\\_20100127.pdf](http://www.uspto.gov/patents/law/notices/101_crm_20100127.pdf)

**Claim Rejections - 35 USC §112, First Paragraph**

19. The following is a quotation of the first paragraph of 35 U.S.C. §112:

(a) The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same and shall set forth the best mode contemplated by the inventor of carrying out his invention.

20. Claims 1-142 are rejected under 35 U.S.C. §112, first paragraph, as failing to comply with the written description requirement.

21. The claims contain subject matter which was not described in the specification in such a way as to reasonably convey to one skilled in the relevant art that the inventors, at the time the application was filed, had possession of the claimed invention.

Regarding Claims 1-142

22. The claims have been amended to recite “deploying... license management software to a licensing host” and “deploying... [a] first set of software to a software host.” The Examiner has carefully reviewed the original disclosure and cannot find support for these amendments. The Examiner also finds that these limitations are not necessarily present in Applicants’ disclosure.

**Claim Rejections - 35 USC §112, First Paragraph (Scope of Enablement)**

23. The following is a quotation of the first paragraph of 35 U.S.C. §112:

The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same and shall set forth the best mode contemplated by the inventor of carrying out his invention.

24. Claims 72-142 are rejected under 35 U.S.C. §112, ¶1 (scope of enablement), because the claimed “instructions for...” are purely functional recitations with no limitation of structure. See *Ex parte Miyazaki*, 89 USPQ2d 1207, 1215-17 (B.P.A.I. 2008) (precedential).

25. This rejection under §112, ¶1 is an alternative rejection. As noted below in the §112, ¶2 rejection, it is the Examiner’s primary position that claims 72-142 invoke §112, ¶6 and are indefinite. However, in the spirit of compact prosecution, and in the event that Applicants successfully rebut the Examiner’s determination that the “instructions for...” language of claims 72-142 invokes §112, ¶6 (see below), it is the Examiner’s alternative position that the claim elements “instructions for...” are purely functional recitations in that there is no structure presented in the claim element itself, and the Examiner is not required to import structure from the Specification into the claim under 35 U.S.C. §112, ¶6. Nor is there any evidence that one of ordinary skill in the art could understand such terms to have a definite structural meaning. As such, claims 72-142 are claiming all instructions for performing the claimed functions. Because the original specification does not enable all instructions for performing the claimed functions, claims 72-142 are rejected under 35 U.S.C. §112, ¶1 (scope of enablement).

**Claim Rejections - 35 USC §112, Second Paragraph**

26. The following is a quotation of the second paragraph of 35 U.S.C. §112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

27. Claims 72-142 are rejected under 35 U.S.C. §112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which Applicants regard as the invention.

Regarding Claims 72-142

28. Claims 72-142 recite numerous claim limitations using “instructions for...” phrases. For example, claim 72 recites “instructions for deploying, via said network, license management software to a licensing host.” It is self evident that these claim limitations do not use the phrase “means for” or “step for.” However, the claim limitations use a non-structural term, namely “instructions for,” which is a term that is simply a substitute for “means for.” Therefore, the Examiner will apply §112, ¶6 to the claim limitations that use the non-structural term associated with functional language. See USPTO Memorandum<sup>5</sup> by Bahr, Robert W., Supplementary Examination Guidelines for Determining Compliance with 35 U.S.C. § 112 and for Treatment of Related Issues in Patent Applications,<sup>6</sup> February 9, 2011; and Supplementary Examination

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<sup>5</sup> See MPEP §707.06 “Citation of Decisions, Orders Memorandums, and Notices” expressly authorizing examiners to cite to Commissioner’s Memorandums which have not yet been incorporated into the MPEP.

<sup>6</sup> Available at <http://www.uspto.gov/patents/law/exam/memoranda.jsp>



Guidelines for Determining Compliance With 35 U.S.C. 112 and for Treatment of Related Issues in Patent Applications, Federal Register, Vol 76, No. 27, 7162, January 21, 2011.<sup>7</sup>

29. In light of the above, the following claim phrases are exemplary of the limitations that invoke 35 U.S.C. §112, ¶6. This list is not exhaustive. A few examples are shown below for brevity; however the Examiner has applied the analysis below to every “instructions for...” limitation of claims 72-142.

d. In at least claim 72, the phrase “instructions for causing one or more processors to receive, over a network, from a client computer that runs a browser program, a first inquiry regarding licensing of a first set of software under a particular contract;”

e. In at least claim 72, the phrase “instructions for deploying, via said network, license management software to a licensing host;”

f. In at least claim 72, the phrase “instructions for deploying, via said network, said first set of software to a software host;” and

g. In at least claim 142, the phrase “instructions for causing one or more processors to invalidate an authorization parameter which is required for proper execution of said set of software.”

30. For each claimed phrase that invokes 35 U.S.C. §112, ¶6, the written description fails to clearly link or associate the disclosed structure to the claimed function such that one of ordinary skill in the art would recognize what structure performs the claimed function.

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<sup>7</sup> Available at <http://www.gpo.gov/fdsys/pkg/FR-2011-02-09/pdf/2011-2841.pdf>

31. For each claimed phrase that invokes 35 U.S.C. §112, ¶6, Applicants are required to either:

(a) Amend the claim so that the claim limitation will no longer be a non-structural term plus function limitation under 35 U.S.C. §112, ¶6; or

(b) Amend the written description of the specification such that it clearly links or associates the corresponding structure to the claimed function without introducing any new matter. See 35 U.S.C. 132(a).

32. For more information, see 37 C.F.R. § 1.75(d); MPEP §608.01(o); and MPEP §2181.

33. The Examiner finds that because the claims are indefinite under 35 U.S.C. §112, second paragraph, it is impossible to properly construe claim scope at this time. However, in accordance with MPEP §2173.06 and the USPTO's policy of trying to advance prosecution by providing art rejections even though these claims are indefinite, the claims are construed and the prior art is applied as much as practically possible.

**Claim Rejections - 35 USC § 102**

34. The following is a quotation of the appropriate paragraphs of 35 U.S.C. § 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

35. Claims 1-17, 19, 22-49, 51, 55-64, 72-88, 90, 93-120, 122, and 126-135 are rejected under 35 U.S.C. 102(e) as being anticipated by Ginter et al. (US 2004/0133793 A1) (“Ginter”).

Referring to Claims 1 and 72

36. Ginter discloses a computer implemented method and medium for managing a contract ([0012] under VDE, such an extended agreements may comprise an electronic contracts [0053]), comprising:

receiving, over a network, from a client/user computer that runs a browser ([0989] [1892] [2238] user may either make use of a standard application program (e.g., World Wide Web browser); browsing interface [2196]), an inquiry regarding licensing of a first set of software under a particular contract [0007-0008] Electronic content [0012] electronic contract, [0053] VDE can enable a very broad variety of electronically enforced commercial and societal agreements. These agreements can include electronically implemented contracts, licenses, laws, regulations, and tax collection; [0078-0081] Electronic content [0093], [0161-0162], Figures 72A-72D, [0137] content providers who employ the present invention may include software

*applications [0425] the “events” may include, for example, a request to use content or generate a usage permission; a common example of this type of negotiation today is the purchase of software under the terms of a “shrink-wrap license”; [1947] an electronic contract is an electronic form of an agreement including rights, restrictions, and obligations of the parties to the agreement. In many cases, electronic agreements may surround the use of digitally provided content; for example, a license to view a digitally distributed movie);*

in response to receiving the inquiry, accessing, at a management system coupled to the client/user computer via a network (Figure 1), information pertaining to the contract, the information comprising quota parameters which specifies a quota of resources that can be consumed under the contract (Figure 2A Rules and controls, Figures 5A and 5B **Permissions record** (808) [0161-0162] parameters [0166] metering the number of copies, Figures 3 and 4, [0214],[0426-0433]);

determining a first licensing (subsets or extended agreements) amount attributable to licensing the first set of software ([0012] [0405] how much it costs to use the content, [0410-0411] specify how much it costs [0426-0431], Figure 26A (944) number of rights record, Figure 50d (1718));

updating the quota parameter based, at least partially, upon the first licensing amount (Figure 61 (2239) update Meter, [0393]);

deploying, via said network, license management software to a licensing host ([1823] deploying instances of VDE appliances 600; [0469-0470] appliances 600 have license management software; see also [0496] [0497] [2005] [2014] [2017] [2023] [2037] [2070]);

sending license terms/parameters/rules over a network to a licensing host that is coupled to said management system via the network (Figure 2) and communicates with the first set of software and enforces, via said license management software, the license terms/parameters/rules relative to the first set of software over the network (Figure 1, Figure 77, [0083] [0093] [0162-0164]; see also [0496] [0497] [2005] [2014] [2017] [2023] [2037] [2070]);

deploying, via said network, said first set of software to a software host, the software host configured to execute said first set of software ([0162] [0166] Figure 2; the host is inherently configured to execute the software); and

allowing the first set of software to be used under the contract (Figure 3 (402) GO, [0061-0062] distribution of permissions to use electronic information; see also [0496] [0497] [2005] [2014] [2017] [2023] [2037] [2070]).

#### Referring to Claims 23 and 94

37. Ginter discloses a computer implemented method and medium for managing a contract ([0012] under VDE, such an extended agreements may comprise an electronic contracts [0053])), comprising:

receiving, over a network from a user/client computer that runs a browser program ([0989][1892] [2238] user may either make use of a standard application program (e.g., World Wide Web browser browsing interface [2196]), at a management system coupled to the client computer via a network (Figure 1) a first inquiry regarding licensing of a first set of software under a particular contract [0007-0008] Electronic content [0012] electronic contract, [0053] VDE can enable a very broad variety of electronically enforced commercial and societal

agreements. These agreements can include electronically implemented contracts, licenses, laws, regulations, and tax collection; [0078-0081] Electronic content [0093], [0161-0162], Figures 72A-72D, [0137] content providers who employ the present invention may include software applications [0425] the “events” may include, for example, a **request to use content or generate a usage permission**; a common example of this type of negotiation today is the purchase of software under the terms of a “shrink-wrap license”; [1947] an electronic contract is an electronic form of an agreement including rights, restrictions, and obligations of the parties to the agreement. In many cases, electronic agreements may surround the use of digitally provided content; for example, a license to view a digitally distributed movie);

in response to receiving the inquiry at the management system, accessing information pertaining to the contract, the information comprising quota parameter which specifies a quota of resources that can be consumed under the contract, and one or more contract terms associated with the contract (Figure 2A Rules and controls, Figures 5A and 5B **Permissions record** (808) [0161-0162] parameters [0166] metering the number of copies, Figures 3 and 4, [0214], [0426-0433]);

determining a first licensing amount (subsets or extended agreements) attributable to licensing the first set of software, said licensing amount determined, at least partially, by applying one or more of the contract terms ([0012], [0174] VDE control information (including budgeting, pricing, and metering) can be configured so that it can specifically apply, as appropriate, to ad hoc selection of different, unanticipated variable user selected aggregations of information increments and pricing levels can be, at least in part, based on quantities and/or nature of mixed increment selections [0405] how much it costs to use the content, [0410-0411]

specify how much it costs, [0426-0431]; Figure 26A (944) number of rights record; Figure 50d (1718; [2319-2321]);

updating the quota parameter based, at least partially, upon the first licensing amount (Figure 61 (2239) update Meter, [0393]);

deploying, via said network, license management software to a licensing host ([1823] deploying instances of VDE appliances 600; [0469-0470] appliances 600 have license management software; see also [0496] [0497] [2005] [2014] [2017] [2023] [2037] [2070]);

sending license terms/parameters/rules over a network to a licensing host that is coupled to said management system via the network (Figure 2) and communicates with the first set of software and enforces, via said license management software, the license terms/parameters/rules relative to the first set of software over the network (Figure 1, Figure 77, [0083] [0093] [0162-0164]; see also [0496] [0497] [2005] [2014] [2017] [2023] [2037] [2070]);

deploying, via said network, said first set of software to a software host, the software host configured to execute said first set of software ([0162] [0166] Figure 2; the host is inherently configured to execute the software); and

allowing the first set of software to be used under the contract ([0062] Figure 3 (402) GO).

Referring to Claims 56-64 and 127-135

38. Ginter discloses a computer implemented method and medium for managing a contract ([0012] under VDE, such an extended agreements may comprise an electronic contracts [0053]), comprising:

receiving, over a network, from a client/user computer that runs a browser program ([0989][1892] [2238] user may either make use of a standard application program (e.g. World Wide Web browser; browsing interface [2196]) at a management system, an inquiry regarding licensing of a first set of software under a particular contract [0007-0008] Electronic content [0012] electronic contract, [0053] VDE can enable a very broad variety of electronically enforced commercial and societal agreements. These agreements can include electronically implemented contracts, licenses, laws, regulations, and tax collection; [0078-0081] Electronic content [0093], [0161-0162], Figures 72A-72D, [0137] content providers who employ the *present invention may include software applications [0425] the “events” may include, for example, a request to use content or generate a usage permission;* a common example of this *type of negotiation today is the purchase of software under the terms of a “shrink-wrap license”;* [1947] an electronic contract is an electronic form of an agreement including rights, restrictions, and obligations of the parties to the agreement. In many cases, electronic agreements may surround the use of digitally provided content; for example, a license to view a digitally distributed movie);

in response, accessing information from the management system pertaining to the contract, the information comprising quota parameters which specifies a quota of resources that can be consumed under the contract (Figure 2A Rules and controls, Figures 5A and 5B **Permissions record** (808) [0161-0162] parameters [0166] metering the number of copies, Figures 3 and 4, [0214],[0426-0433]);

accessing one or more other sets of information at the management system pertaining to one or more other contracts related to the contract ([0012] and [0161-0162]), each of the other



sets of information comprising one or more contract terms associated with one of the contracts (Figures 3-4, [0061] [0077-0081];

processing the information in a particular order and searching as each set of information is processed to derive one or more applicable contract terms that apply to the inquiry by reconciling the information to extract one or more applicable contract terms and upon finding a contract term that applies, including the term as one or more applicable contract terms [0061-0067] a rights application under VDE is made up of special purpose pieces, each of which can correspond to one or more basic electronic processes needed for a rights protection environment. These **processes can be combined together like building blocks** to create electronic agreements that protect these rights, [0254] seniority of contributed control information [1209-1213] PERCs 808 are organized as a hierarchical structure, [0249-0255]);

determining a first licensing amount attributable to licensing the first set of software, said licensing amount determined, at least partially, by applying one or more of the contract terms ([0012], [0405] how much it costs to use the content, [0410-0411] specify how much it costs, [0426-0431]; Figures 3 and 4 Figure 26A (944) number of rights record; Figure 50d (1718));

updating the quota parameter based, at least partially, upon the first licensing amount (Figure 61 (2239) update Meter, [0393]);

deploying, via said network, license management software to a licensing host ([1823] deploying instances of VDE appliances 600; [0469-0470] appliances 600 have license management software; see also [0496] [0497] [2005] [2014] [2017] [2023] [2037] [2070]);

sending license terms/parameters/rules over a network to a licensing host that is coupled to said management system via the network (Figure 2) and communicates with the first set of

software and enforces, via said license management software, the license terms/parameters/rules relative to the first set of software over the network (Figure 1, Figure 77, [0083] [0093] [0162-0164]; see also [0496] [0497] [2005] [2014] [2017] [2023] [2037] [2070]);

deploying, via said network, said first set of software to a software host, the software host configured to execute said first set of software ([0162] [0166] Figure 2; the host is inherently configured to execute the software); and

allowing the first set of software to be used under the contract ([0062] Figure 3 (402) GO).

Referring to Claims 2, 5-10, 24, 29-37, 73, 76-81, 95, and 100-108

39. Ginter discloses a method and medium further comprising:

receiving a second inquiry regarding licensing a second set of software, or obtaining a service comprising technical support, or purchasing a product under the contract or a set of property comprising intellectual property or proprietary information ([0017 electronic information products [0025] electronic products [0046-0052] [0071] [0093] [0161-0162] [0174]);

determining a second licensing amount, service amount, purchasing amount attributable to licensing the second set of software, obtaining the services, purchasing the product, or licensing the property, by applying one or more contract terms ([0012], [0405] how much it costs to use the content, [0410-0411 specify how much it costs, [0426-0431]; Figure 26A (944) number of rights record; Figure 50d (1718));

updating the quota parameter based, at least partially, upon the second licensing amount, service amount, purchasing amount (Figure 61 (2239) update Meter, [0393]); and

allowing the second set of software to be used under the contract, the service to be rendered, the product to be purchased, or the property used ([0062] Figure 3 (402) GO).

Referring to Claims 3, 25, 74, and 96

40. Ginter discloses wherein the first set of software and the second set of software are different sets of software ([0012], [0061] [0107] [0161], also see [2320]).

Referring to Claim 4, 26, 75, and 97

41. Ginter discloses upgrades in paragraph [0649]. Moreover, the fact that the second set of software is an upgraded version of the first set of software is determined to be non-functional descriptive data since the method would be performed the same no matter whether the software was an upgrade or not. The type of software is not functionally interrelated with the steps of the invention and thus this descriptive material will not distinguish the claimed invention from the prior art in terms of patentability. See *In re Gulack*, 217 USPQ 401 (CAFC 1983), *In re Lowry*, 32 USPQ2d 1031 (CAFC 1994).

Referring to Claims 11, 41, 82, and 112

42. Ginter discloses wherein updating the quota parameter comprises reducing the parameter by the first licensing amount (Figures 3 and 4 Figure 61 (2239) update Meter, [0393], [0161]).

Referring to Claims 27-28 and 98-99

43. Ginter discloses wherein the one or more contract terms applied to determine the first licensing amount are the same as/different from the one or more contract terms applied to determine the second licensing amount ([0061- 0067] a rights application under VDE is made up of special purpose pieces, each of which can correspond to one or more basic electronic processes needed for a rights protection environment. These **processes can be combined together like building blocks** to create electronic agreements that protect these rights, [0254] seniority of contributed control information [1209-1213] [0161-0163] agreement may also *result from an automated electronic process during which terms and conditions are “evaluated”* by certain VDE participant control information that accesses whether certain other electronic terms and conditions attached to content and/or submitted by another party are acceptable; such an evaluation process may be quite simple, for example a comparison to ensure compatibility [0161] VDEF capabilities *“evolve” to reflect the requirements of one or more successive parties*; [0163] VDE participants directly, through a user interface means, resolve *“disagreements” between control information [0164] another party (other than the first applier of rules), perhaps through a negotiation process, accepts, and or adds to and/or modifies, “in place” content control information, a VDE agreement between two or more parties related to the use of such electronic content by be created [0249] the control information can determine for example how and/or to whom electronic content can be provided).*

Referring to Claims 12-16, 42-46, 48, 83-87, 113-117, and 119

44. Ginter discloses wherein the first inquiry specifies one or more additional inquiry parameters and wherein the amount is determined based, at least partially, upon at least one of the additional inquiry parameters ([0214] flexible metering, enables such flexibility of metering control mechanisms to accommodate different parameters [0055] [0108] allows electronic commerce participants to freely stipulate their business requirements and trade-offs) wherein the parameter is specified by the sender of the inquiry and wherein the one or more parameters comprises indicating a desired amount of time or duration of the license, how many users may concurrently use the software, how many copies of the software are desired ([0111] VDE can further be used to enable commercially provided electronic content to be made available to users in user defined portions).

Referring to Claims 17, 49, 88, and 120

45. Ginter discloses granting a license to use the item for a period of time (Figure 26A Expiration date/time for this record (932) [0189], [0190], [0196-0197], [216]).

Referring to Claims 19, 51, 90, and 122

46. Ginter discloses disallowing use of the item under the contract (Figure 3 (402) NO GO).

Referring to Claims 22, 55, 93 and 126

47. Ginter discloses receiving a request to deploy the software and deploying the software to a host specified by a sender ([0032-0035], [0061-0062]).

Referring to Claims 38-40, and 109-111

48. Ginter discloses wherein the one or more contract terms comprise an uplift, a discount or a multiplier ([0174] discounted by 15% [0186-0190] pricing discounts).

Referring to Claims 47 and 118

49. Ginter discloses wherein the first inquiry specifies a set of inquiry parameters, which include a reference to the first set of software and one or more additional inquiry parameters, and wherein determining the licensing amount comprises determining, based at least partially upon one or more of the inquiry parameters which of said one or more contract terms to apply to the first inquiry ([0061- 0067] a rights application under VDE is made up of special purpose pieces, each of which can correspond to one or more basic electronic processes needed for a rights protection environment. These **processes can be combined together like building blocks** to create electronic agreements that protect these rights, [0254] seniority of contributed control information [1209-1213] [0161-0163] agreement may also result from an automated electronic *process during which terms and conditions are “evaluated” by certain VDE participant control* information that accesses whether certain other electronic terms and conditions attached to content and/or submitted by another party are acceptable; such an evaluation process may be quite simple, for example a comparison to ensure compatibility [0161] VDEF capabilities *“evolve” to reflect the requirements of one or more successive parties; [0163] VDE participants directly, through a user interface means, resolve “disagreements” between control information* [0164] another party (other than the first applier of rules), perhaps through a negotiation

*process, accepts, and or adds to and/or modifies, "in place" content control* information, a VDE agreement between two or more parties related to the use of such electronic content by be created [0249] the control information can determine for example how and/or to whom electronic content can be provided).

### **Claim Rejections - 35 USC § 103**

50. The following is a quotation of 35 U.S.C. § 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

51. Claims 1-17, 19, 22-49, 51, 55-64, 72-88, 90, 93-120, 122, and 126-135, as understood by the Examiner, are alternatively rejected under 35 U.S.C. § 103(a) as being unpatentable over Ginter, in view of Wyman (U.S. 5,204,897 A).<sup>8</sup>

#### Regarding Claim 1-17, 19, 22-49, 51, 55-64, 72-88, 90, 93-120, 122, and 126-135

52. Ginter discloses as discussed above. Also as noted above, it is the Examiner's principle position that claims 1-17, 19, 22-49, 51, 55-64, 72-88, 90, 93-120, 122, and 126-135 are anticipated by Ginter because the host in possession of the software set is inherently configured to execute the software. However if a reviewing body finds that Ginter's host is not inherently

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<sup>8</sup> See MPEP §2112 III. expressly authorizing an alternative §103 rejection when inherency is used in the 102 rejection.

configured to execute the software, Wyman, in a related endeavor, teaches deploying, via a network, a first set of software to a software host, the software host configured to execute said first set of software (see at least c. 9, ll. 25-67) under administration of a license manager (i.e., licensing host).

53. Therefore, if not inherent, it would have been obvious to one of ordinary skill in the art, at the time the invention was made, to configure Ginter's software host to execute the software, as taught in Wyman, in order for the owner of the software host to participate in Ginter's system by having a machine that executes the desired software.

54. Claims 18, 20-21, 50, 52-54, 65-71, 89, 91-92, 121, 123-125 and 136-142 are rejected under 35 U.S.C. 103(a) as being unpatentable over Ginter.

Referring to Claims 18, 20-21, 50, 52-54, 65-71, 89, 91-92, 121, 123-125 and 136-142

55. Ginter discloses a computer-implemented method and medium for managing a contract ([0012] electronic contract), comprising:

receiving, over a network, from a client computer that runs a browser program ([0989] [1892] [2238] user may either make use of a standard application program (e.g. World Wide Web browser browsing interface [2196]), at a management system, a communication [2196]; accessing information pertaining to the license, the information comprising a reference to a contract with one or more contract terms under which the license was granted, the contract having quota parameters associated therewith which specify a quota of resources that can be consumed under the contract; the information to the license further comprising a licensing amount attributable to the licensing of the software ([0007-0008] Electronic content [0012]



electronic contract, [0053] VDE can enable a very broad variety of electronically enforced commercial and societal agreements. These agreements can include electronically implemented contracts, licenses, laws, regulations, and tax collection; [0078-0081] Electronic content [0093], [0161-0162], Figures 72A-72D, [0137] content providers who employ the present *invention may include software applications [0425] the “events” may include, for example, a request to use content or generate a usage permission;* a common example of this type of *negotiation today is the purchase of software under the terms of a “shrink-wrap license”;* [1947] an electronic contract is an electronic form of an agreement including rights, restrictions, and obligations of the parties to the agreement. In many cases, electronic agreements may surround the use of digitally provided content; for example, a license to view a digitally distributed movie);

determining a first licensing (subsets or extended agreements) amount attributable to licensing the first set of software ([0012] [0405] how much it costs to use the content, [0410-0411] specify how much it costs [0426-0431], Figure 26A (944) number of rights record, Figure 50d (1718));

updating the quota parameter based, at least partially, upon the first licensing amount (Figure 61 (2239) update Meter, [0393]);

deploying, via said network, license management software to a licensing host ([1823] deploying instances of VDE appliances 600; [0469-0470] appliances 600 have license management software; see also [0496] [0497] [2005] [2014] [2017] [2023] [2037] [2070]);

sending license terms/parameters/rules over a network to a licensing host that is coupled to said management system via the network (Figure 2) and communicates with the first set of

software and enforces, via said license management software, the license terms/parameters/rules relative to the first set of software over the network (Figure 1, Figure 77, [0083] [0093] [0162-0164]; see also [0496] [0497] [2005] [2014] [2017] [2023] [2037] [2070]);

deploying, via said network, said first set of software to a software host, the software host configured to execute said first set of software ([0162] [0166] Figure 2; the host is inherently configured to execute the software); and

allowing the first set of software to be used under the contract ([0062] Figure 3 (402) GO); and

Ginter discloses usage auditing, reporting, and payment [0078].

56. Ginter does not expressly disclose receiving a request to terminate a license, determining a refund amount and updating the quota parameter based upon the refund.

57. However, customer service is a key factor in the success of any business. One way to keep customers satisfied to provide refunds for unused portions or providing credits for the unused portion. This practice of giving a customer a refund for unused portions is an old and well established business practice, for example, when a customer is dissatisfied with the product and wants to return the product. The practice is designed to keep customers returning for services as shown in the following references submitted as evidence of examples of a refund after termination of a license for software in the Office action dated August 11, 2006.

58. EarthWeb provided ITKnowledge electronic book (ebook) services. EarthWeb discloses that they will **fully reimburse** licensees for **unused portions** of the license.

59. US 2003/0040917 discloses that the browser application will allow listeners to listen to netcasts. In addition to single payments at the time of downloading, subscription arrangements

may allow a predetermined number of downloads within a predetermined period of time (**with or without the possibility of refunds or rebates for unused opportunities** [paragraph [0122]]).

60. US 2003/0126033 discloses once software is returned, a value is put on the returned along with full refunds, partial refunds, or no refund [0193] [0282].

61. Even as far back as 1971, a subscription communication system discloses in patent number 3,751,670 (Grodner et al.) discloses an economically sound basis for the broadcaster to discontinue charging fro the remainder of the program.

62. Therefore, it would have been obvious to one of ordinary skill in the art to incorporate into the contract management method and medium disclosed in Ginter a refund mechanism since it makes good business sense to provide a credit for unused portions so as to maintain customer satisfaction and loyalty, thus generating return business.

### **Response to Arguments**

#### 35 U.S.C. §102

63. Applicants argue “Ginter et al. are not understood to teach, or even suggest, the combination of deploying license management software on a licensing host, and deploying the first set of software on a software host that is configured to execute the first set of software.”  
2010 Sept Response at p. 32.

64. Applicants’ argument is not persuasive. Ginter (as cited above) expressly discloses that the instances of VDE appliances are deployed. Ginter also discloses that the VDE appliance and related software are located on each node in the chain, and can be used for securely authoring content, securely distributing and redistributing content, and for securely reporting information

(such as audit information) to providers. When on an end-user node the appliance securely renders protected content (e.g., software) based on the permissions set by a provider or distributor. The end-user node is inherently configured for execution of the related appliance software and the protected content software distributed through the chain (e.g., the chain of fig. 2) by necessarily having the appropriate hardware. Nevertheless, Wyman also teaches end-user nodes that are configured to execute licensed software.

65. Applicants also argue “a management system that is generally configured to receive licensing inquiries from a client computer, and accept / establish licensing parameters, a licensing host that is configured to enforce licensing parameters, and a software host that is configured to execute the software, in which each of the client computer, the management system, the licensing host and the software host represent a distinct computing device.” 2010 Sept Response at p. 33.

66. Applicants’ argument is not persuasive at least because Applicants are arguing what they believe is “generally” conveyed by their application. Applicants are respectfully reminded that patents are issued on precisely what the claims recite, not on what is “generally” configured by their application.

67. Furthermore, this argument is not persuasive at least because the claims do not require the recited entities to be distinct; the claims also do not recite at least the “accept / establish licensing parameters.” Nevertheless, Ginter also allows an end-user to browse content at a repository and make inquiries to providers (i.e., management system) overseeing the use of their content. Ginter’s distributors (down the chain from the providers) are licensing hosts that

receive controls from the providers and 1) redistribute content to end user nodes that use the content, and 2) control usage of the content via communications over a network. Therefore, Ginter has distinct entities also.

### **Conclusion**

68. The prior art made of record which is considered pertinent to Applicants' disclosure is listed on the document titled 'Notice of Reference Cited' ("PTO-892") Unless expressly noted otherwise by the Examiner, all documents listed on the enclosed PTO-892 are cited in their entirety.

69. Applicants are respectfully reminded that any suggestions or examples of claim language provided by the Examiner are just that—suggestions or examples—and do not constitute a formal requirement mandated by the Examiner. To be especially clear, any suggestion or example provided in this Office Action (or in any future office action) does not constitute a formal requirement mandated by the Examiner.

h. Should Applicants decide to amend the claims, Applicants are also reminded that—like always—no new matter is allowed. The Examiner therefore leaves it up to Applicants to choose the precise claim language of the amendment in order to ensure that the amended language complies with 35 U.S.C. § 112 1st paragraph.

i. Independent of the requirements under 35 U.S.C. § 112 1st paragraph, Applicants are also respectfully reminded that when amending a particular claim, all claim terms must have clear support or antecedent basis in the specification. See 37 C.F.R. § 1.75(d) (1) and MPEP §

608.01(o). Should Applicants amend the claims such that the claim language no longer has clear support or antecedent basis in the specification, an objection to the specification may result.

Therefore, in these rare situations where the amended claim language does not have clear support or antecedent basis in the specification and to prevent a subsequent ‘Objection to the Specification’ in the next office action, Applicants are encouraged to either (1) re-evaluate the amendment and change the claim language so the claims do have clear support or antecedent basis or, (2) amend the specification to ensure that the claim language does have clear support or antecedent basis. See again MPEP § 608.01(o) (¶3). Should Applicants choose to amend the specification, Applicants are reminded that—like always—no new matter in the specification is allowed. See 35 U.S.C. § 132(a). If Applicants have any questions on this matter, Applicants are encouraged to contact the Examiner via the telephone number listed below.

70. Any inquiry of a general nature or relating to the status of this application or concerning this communication or earlier communications from the Examiner should be directed to Jacob C. Coppola whose telephone number is (571) 270-3922. The Examiner can normally be reached on Monday-Friday, 9:00 a.m. - 5:00 p.m. If attempts to reach the Examiner by telephone are unsuccessful, the Examiner’s supervisor, Andrew Fischer can be reached at (571) 272-6779.

71. Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR

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system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private

PAIR system, please contact the Electronic Business Center (EBC) at (866) 217-9197 (toll-free).

/JACOB C. COPPOLA/

Patent Examiner, Art Unit 3621

06 April 2011

/ANDREW J. FISCHER/

Supervisory Patent Examiner, Art Unit 3621